

AMS and Amu Technical Assistance Projects in the Russian Federation 1994–1996

**AMS – the Swedish Labour
Market Board**

**Amu – the Swedish State-owned
vocational training institute**

**Susanne Oxenstierna
Gunnar Pihlgren**

**Department for Central and
Eastern Europe**

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Sida Evaluation 97/18

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Eastern Europe**

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Foreword

AMS (the Swedish Labour Market Board) and AmuInternational (the Swedish state-owned vocational training institute) started technical assistance co-operation with the Committee of Labour of the city of St. Petersburg and the Federal Employment Service (FES) in Moscow in 1992. At the start, these projects were administered by the Swedish Ministry of Labour on a special grant by the Government of Sweden of 5 million SEK. In early 1994, the projects were evaluated, and eventually BITS, later Sida, have continued financing projects on the development of the employment service and labour market training in the Russian Federation.

This report evaluates the six projects between AMS and Amu and their Russian counterparts which were approved and financed by BITS and Sida between 1994 and 1996. The total budgets approved for the projects amounts to approximately 9 million SEK.

The project responsible of AMS and AmuInternational provided us with information and materials necessary for compiling the report. Lena Schröder at the Swedish Institute for Social Research, University of Stockholm, was kind enough to give us an up-date on Swedish labour market policy issues and research in this area. The Russian side was most helpful in giving us time explaining their views and showing us the concrete results of the projects. We are especially obliged to Ivan Dubov at FES and Aleksandr Sukhov at the Committee in St. Petersburg for arranging our programs in Moscow and St. Petersburg. Excellent interpreting services were rendered by Lena Prokhorova in Moscow and by Lena M. in St. Petersburg.

Our task has been to describe the strong as well as the weak sides of the projects, and our ambition has been to do that as fair as possible. As the report shows, the general assessments are positive but also some criticism is forwarded. We hope this can result in a productive discussion of how to make already highly competent Swedish technical assistance in the labour market area even better.

Stockholm 15 January 1997

Susanne Oxenstierna

Gunnar Pihlgren

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Executive Summary

The purpose of this report is to provide an evaluation of the AMS and Amu technical assistance projects with the Federal Employment Service of the Russian Federation and the Employment Committee of the city of St. Petersburg which have been financed by BITS and Sida between 1994 and 1996. The main dimensions of the evaluation are: Achievements of objectives, relevance, whether the results are sustainable, side-effects, efficiency of project implementation and cost-efficiency. In addition, the report gives Sida recommendations on the potential of supporting future projects and suggests improvements in project objectives and design.

- ◆ The main topic - labour market policy - is highly relevant in the transformation of the Russian society. The Swedish experience can be efficiently transferred to Russia, if the process is carried out in a flexible way.
- ◆ The overall picture is positive: The objectives of the various projects have - with few exceptions - been fulfilled. There are several examples of unusually efficient transfer of knowledge, in fact good examples of how decades of experiences can rapidly be introduced into a new society.
- ◆ The success should be credited both the Russian and the Swedish parties. Most Russians involved have been deeply engaged in the project activities. Most Swedes have been sensitive to the idiosyncracies of the Russian society and have been careful in not imposing Swedish solutions on their counterparts. The Russians have many times improved the Swedish solutions taking their various restrictions into consideration.
- ◆ The cost efficiency of the various components of the projects are - on the whole - satisfactory. The Swedish parties should, however, improve their internal project information systems. Some logical break-down of costs have been produced only after some effort.
- ◆ Interesting side-effects of projects are:
 - AmuInternational is part of a large World Bank project in Russia
 - A general exposure of Swedish management techniques and non-hierarchical approach to management.
 - Other bilateral contacts between the two countries.
- ◆ It is proposed that the co-operation be continued provided that the Russian side expresses its wish to do so. The co-operation should be *long-term* but *low-key*: The Russians are well capable of adapting Western experiences and limited input can have a considerable impact.
- ◆ The introduction of modern management systems is a relevant area for further co-operation, both for job placement services and vocational training.
- ◆ Projects including the diffusing of experiences and results of the AMS project in St. Petersburg to other parts of Russia would be of great relevance.

- ◆ The continued development of modular learning techniques is another suitable area for further co-operation.
- ◆ Distance learning is an area which Sida should contemplate supporting. In the latter case, a "neutral" company should be charged with the organisation of a study tour and seminars, as there are several competent Swedish actors in the field.
- ◆ Moscow (FES) should be more deeply engaged in future co-operation.
- ◆ There should be a closer co-operation with other donors than has been the case so far.

I Project Description

1. The Objectives of the Evaluation Report

The aim of this report is to provide an evaluation of the AMS (the Swedish Labour Market Board) and Amu (the Swedish state-owned vocational training institute) technical assistance projects with the Federal Employment Service of the Russian Federation and the Employment Committee of the city of St. Petersburg which have been financed by BITS and Sida between 1994 and 1996. The projects subject to evaluation are:

- 1 The AMS project in St. Petersburg. BITS 14 September 1994, decision 36-94/95, 2.23 million SEK.
- 2 The AMS Project in Moscow. BITS 6 September 1994, decision 28-94/95, 1.5 million SEK.
- 3 The Amu projects in St. Petersburg. BITS 9 May 1994, decisions 120-93/94, 1.2 million SEK; and Sida 30 January 1996, decision 32-96, 1.36 million SEK.
- 4 The Amu projects in Moscow. BITS 12 April 1994, decision 110-93/94, 1.2 million SEK; and Sida 19 October 1995, decision 93/95, 1.47 million SEK.

The main dimensions of the evaluation are:¹

- Achievements of objectives
- Relevance in perspective of the labour market situation and the needs they are intended to serve.
- Whether the results are sustainable
- Side-effects, positive or negative
- Efficiency of project implementation
- Cost-efficiency

In addition, the report should give Sida recommendations on the potential of supporting future projects and suggests improvements in project objectives and design with special regard to:

- Relevance of projects with regard to the needs they intend to serve and the potential impact of transfer of knowledge from Sweden.
- Organisational strength of the Russian counterparts.
- Possibilities of co-ordination and co-financing with other donors.

In order to underpin a judgement of the relevance of the projects and the potential for future co-operation, the report should also give a brief description of the labour market situation in the Russian Federation.

¹ See Terms of Reference for the Consultancy Assignment (*Appendix, A1*).

2. *The Team*

The evaluation assignment was entrusted to team of two persons: Susanne Oxenstierna, has a Ph.D. in economics and specialises on labour market and issues in transition economies. Gunnar Pihlgren is an employee of Sida.

3. *Method*

The report is based on interviews with all key persons engaged in the various projects and of the study and analyses of all relevant material, i.e. decisions, project reports, and material produced in the course of the execution of the projects. The interviews took place in September and early October, and a first draft was submitted in late October.

The discussions with the various stakeholders of the projects were frank and fruitful. We feel convinced that all important facts have been presented.

It was more difficult to obtain the necessary break-down of project costs. Therefore we feel less confident that the distribution of costs on activities and products are as accurate as should be desired. Nevertheless, this uncertainty does not affect our overall conclusions.

II Swedish and Russian Labour Market Policies

1. *Swedish Labour Market Policy*

Sweden has long traditions of active labour market policies and is a country known for comparatively low open unemployment rates in comparison to other European countries. Since the launching of the Rehn-Meidner program,¹ Swedish labour market authorities have used a number of active measures to improve the functioning of the labour market in times of structural change and to reduce open unemployment during recessions.

Examples of active measures are:

- Job placement services for and unemployed and job changers
- Vocational guidance
- Special services to youth and disabled
- Allowances to help the unemployed to move to the jobs
- Job creation programs e.g., public relief works
- Employment subsidies
- Labour training e.g., retraining of the unemployed in new skills demanded on the labour market.

Does labour market policy matter?

Up to the 1990s, Swedish labour market policy was quite successful in achieving its goals. In the early 1990s, however, unemployment rates rose very rapidly and approached the levels in other European countries during the 1980s. In the early mid-1990s, the open unemployment level reached around 8 percent of the labour force, and the numbers in labour market programs were about 7 percent.²

In addition, the trade-off of labour market policies on general economic indicators has been vividly discussed. Some Swedish experts claim that the large numbers of unemployed in active measures have an up-ward pressure on wages, unlike open unemployment which has a down-ward pressure on wages. Others do not agree with this, or argue that different measures have different effects, and that one must take into account who is primarily placed in active measures. In Sweden, a great part of those in active measures are young people, women and disabled, who do not affect wage formation in the same way as men in the prime working age.³

A product for "export"?

Evaluations of labour market policy programs in Sweden and other countries indicate that active labour market policy matters for improving the functioning of the labour market and getting the unemployed back quicker to ordinary jobs.⁴ There is also a significant effect on long-term employment, which is lower in Sweden than in other countries.⁵ However, in deep recessions when no new jobs are available, labour market policy can do very little on

¹ See e.g. Rehn (1988). The economic program proposed by the economists Gösta rehn and Rudolf Meidner in 1946 and 1947. The program consisted of restrictive fiscal policy, solidaric wage policy and active labour market policy.

² Johannesson & Wadensjö (1995) p. 9.

³ *Ibid.* pp. 151-167.

⁴ *Ibid.* pp. 169-181.

⁵ *Ibid.* pp. 117-149.

its own except for easing the burdens of unemployment for the unemployed and keeping up and developing their confidence and competence until new jobs are available. Labour market policy is only one part of the general economic policy on unemployment. Fiscal and monetary policy always bear the main responsibility for getting the economy back to full employment.

To summarise, the concept of *active* labour market policy is relevant up to this day and worth "exporting" to other countries if the recipient is capable of adapting the Swedish experiences to their own reality.

2. *Russian Labour Market Policy*

Labour market policy is a new concept in the Russian - post-Soviet - reality, introduced in 1991-1992. Before that time, one may even question whether there was a labour market in the country. Yet, some Western observers find that the mechanisms used for the allocation of labour may be described as a "market" since the 1960s, although, as such, rather distorted by largely centrally determined relative wages and wage levels and state employment being compulsory for the able-bodied population. The market element basically consisted of a relative freedom to choose your job and to change jobs for the individuals, and some wage setting discretion of employers.⁶

During *perestroika* 1985-1991, the issue of unemployment was lively discussed in the Soviet Union. Could one accept the return of this evil? At least the Soviet system had proved to be superior in one respect over the Western capitalist system: There was no unemployment (by law).

However, there was considerable underemployment, reflected in low labour productivity, and it was soon understood that if the economy was going to be reformed the underemployed had to be externalised from the enterprises in order to increase productivity and make producers competitive. Structural change would also come, which would lead to separations and unemployment. Thus, whether accepted or not, unemployment would be a problem that had to be dealt with in a reformed economy.

Great concern with these prospect and fear of mass-unemployment occurring with the change of systems, made the Soviet, and later the Russian, authorities start working out a program for how to manage a labour market with high turnover and flows in and out of unemployment.

The Employment Service of the Russian Federation

Since 1991, as a consequence of the Law on Employment stipulating that a Federal Employment Service was to be created and financed by a pay-roll tax, Employment Committees or Regional Employment Services have been created in all the 89 sub-subjects of Russia. They are all subordinated the Federal Committee of Employment Service (FES) in Moscow.

An important condition for the establishment of the employment service has been the relatively good financial position of the Employment Service. The collection of the fee from the wages funds of all employers has been much more successful than the collection of taxes. Informal estimates indicate that on average the Employment Service collects about 80 percent of its dues, while the tax service presently collects around 40 percent of potential revenues. Of the collected sum, 80 percent should be retained locally and 20 percent should be transferred to the federal level for distribution to the regions most in need.

⁶ See Oxenstierna (1990)

Unemployment rates

In addition, the number of registered unemployed has not risen as fast as was expected in 1991 and 1992. The official rate of the registered unemployed is still low, 3.9 percent of the work force, or 2.9 million, and these are the people whom the Employment Service is concerned with (see *Table I:1*). If a person is not registered unemployed he is not qualified for neither benefits nor any training administered through the Employment Service. (He may, however, use the information on vacancies which is open to everybody.) It follows that resources have been available for building up the organisation.

Table I:1 Registered Unemployed (FES), Numbers Receiving Benefits and Retraining in Russia 1994-1996 (thousands, percentage changes)					
	"Out of employment"	Registered	Receiving benefits	In retraining	In retraining/registered
<i>Jan-Mar 1993</i>	1 069	684	456	24	3%
<i>Jan-Mar 1994</i>	1 265	989	797	52	5%
<i>Change 93-94 %</i>	18%	45%	75%	120%	
<i>Jan-Mar 1995</i>	2 075	1 824	1 563	96	5%
<i>Change 94-95 %</i>	64%	84%	96%	85%	
<i>Jan-mar 1996</i>	2 909	2 554	2 222	134	5%
<i>Change 95-96 %</i>	40%	40%	42%	40%	

Russian Economic Trends (1996 pp. 165-166)

Since the number of unemployed to serve has been rather low, the Employment Service has been able to put an increasing number of the registered unemployed in active training measures. Yet, since the number of registered unemployed rises, the share is still just around 5 percent.

In addition to the number of registered unemployed given by FES, *Goskomstat*⁷ publish unemployment rates according to labour force surveys (LFS). This rate is now about 8.5 percent for the whole of Russia. Taking into account people still being employed, but on short-time work or unpaid/part-paid involuntary leave, we should add another 5 percent, which implies a potential unemployment rate of around 13-14 percent for Russia today (*Table I:2*).

Table I:2 Unemployment, Involuntary Leave, and Short-Time Work in the Russian Federation 1993-1996 (% of work-force)				
	1993	1994	1995	1996 (first quarter)
Unemployment (LFS)*	5.3	7.1	7.9	8.4
Underemployment				
Short-time	1.5	2.7	2.7	3.0
Unpaid/part paid involuntary leave	0.7	2.0	1.4	1.6

Russian Economic Trends (1996 p. 95). * According to the Labour Force Surveys of *Goskomstat*.

Unemployment benefits

Unemployment benefit is calculated as a percentage of former wages. For the first three months of unemployment, workers receive 100 percent of their former wages *from their previous employers*. Thereafter, they are eligible for payments from the FES. These amount to 75 percent of their previous money wages during the first 4-6 months, 60 percent

⁷ Central Statistic Office

during months 7-10 of unemployment and 45 percent during months 11-15. After 15 months, they qualify for "material assistance" of not more than the minimum wage.⁸

During 1995, the minimum monthly subsistence level averaged 264 100 RUR, while the minimum wage averaged only 42 621 RUR, or 16 percent of the minimum subsistence. By March 1996, the minimum wage had risen to 20 percent of the subsistence level, 75 900 RUR (about 15 USD). The average monthly wage at that time was about 10 times the minimum wage, 740 000 RUR (about 148 USD).⁹

The role of labour market policy

Labour market policy can play an important role in the restructuring of the Russian economy. First of all, it can provide part of a new *social safety net* for the able-bodied population. During the Soviet era, social benefits and social protection were to a large extent provided by the enterprises. A basic social privilege was the right to a job, and the in principle impossible task of firing somebody. People not doing their jobs were still kept on the pay-roll, even if they did not work. Other social benefits such as housing, children's day-care, subsidised food and other products, were given to the people through their employer.

One of the reasons for why the externalising of underemployment into open unemployment has been so slow in Russia, as well as in other East-European countries, is the fact that by losing their jobs people also lose basic social protection. The opportunity to get at least unemployment benefit and some assistance in finding a new job is a minimum to ease the transition for the individuals. In order for enterprises to be able to fire staff, this system must be in place.

The system of distribution of social benefits also explains why we see phenomena as people being employed but neither working nor being paid. Staying in unpaid employment has positive income effects for the individual. As in the other East-European countries, however, we now see a strong tendency of the enterprise based social benefits eroding in Russia, and there will be an increasing amount of separations.¹⁰

Another reason for the slow externalising of underemployment is that Russian enterprises have a strong motivation to keep unpaid or low paid staff on their pay-rolls. This lowers their average wage and makes it possible to avoid the punitive wage tax for wages over a certain level and to pay higher wages to those actually working. This is exactly the same mechanism that existed during the Soviet period and it strongly impedes an efficient allocation of labour and mobility.

The Russian labour force is highly educated. Also blue-collar workers have good vocational training and there has been a system for "skill-upgrading" during the Soviet period. Yet, the skills people have are usually very narrow. In a time of structural change, and in a labour market where jobs will require wider skill-profiles (e.g. in small private firms) retraining is of extreme importance.

Thus, labour market policy can play an important role in the *reallocation of labour to more productive use*, by retraining and also by providing information about the jobs and the skills in demand.

3. *Changing Institutional and Financial Conditions*

Quite radical changes are under the way, and have to some extent already taken place, concerning the institutional setting around the Federal Employment Service (FES). According to a decree this year, the FES is going to be part of a new ministry, the Ministry of

⁸ *Russian Economic...* op.cit. p. 59.

⁹ *Ibid.* pp. 52;59.

¹⁰ See further OECD 1996a; 1996b.

Labour and Social Development. According to Mrs Moskvina, the present acting chairman¹¹ of the FES, this would not affect the independence of the FES or the financial situation. The Law of Employment guarantees the FES an independent status and its own revenue from the 1.5%-2 % fee on the wages funds.¹² However, one may suspect that some deterioration of the financial conditions will take place. The Russian government is now facing great difficulties in collecting taxes, and to improve on the rather difficult situation, there is a tendency to collect all resources available. Of special interest are the extra-budgetary funds. Into the new ministry goes also, except for the FES and the Ministry of Labour, the Ministry of Social Protection of the Population, a ministry which like the FES had an extra-budgetary fund.

A World Bank recommendation

One may also note that in order to promote efficient resource allocation, transparency and accountability in the fiscal system, the World Bank, in its report *Fiscal Management*, recommends abolishment of the extra-budgetary funds. There is even a special recommendation regarding the employment fund, which recommends the authorities to:

"Completely redefine the role of the employment fund, transforming it from a source of wage subsidies and project finance to an unemployment compensation fund. All resources of the employment fund should accrue to the federal budget and be collected by the State Tax Service, with standards and financing set by the federal government, and service delivery remaining at the subnational level."

¹³

For fiscal reasons, one cannot object to this recommendation. Yet, it certainly endangers the possibilities of active labour market policies, since the Federal Government has great difficulties to collect the necessary budget revenues, and funds actually accruing to the Federal budget may be used according to a priority ordering where labour market policy is not at the top.

The recommendation that the State Tax Service (STS) should collect the employment fund is, of course, in principle correct from modern fiscal management point of view. The tax service should collect all taxes. Yet, since the ability of the STS to collect taxes today is so weak one might question whether the recommendation is not made too early. So far, the Employment Service appears to have been much more successful in collecting the employment fee than has the STS in collecting other taxes.

The recommendation that the *employment fund* should become an "*unemployment compensation fund*" reflects a view supporting passive labour market policy rather than *active*. Whether this will also be the view of the Government of the Russian Federation remains to be seen. So far, the ambition has clearly been to develop a system with both active and passive elements.

4. Conditions for Further Development of Labour Market Policies

Despite the fact that the institutional set-up and the financial conditions may undergo changes, the impression is that the Employment Service will continue to develop and that there is great scope for active labour market policy also in the future. As was noted above, there is an enormous potential for improving labour allocation in a time of structural change, and a need to provide social protection and assistance to find new employment during the transition. There are World Bank financed projects presently working on the development of

¹¹ Mr Prokopov, the former head of the FES was dismissed from this position during the summer 1996.

¹² The fee was 2% up to 1996. In 1996 it was 1.5%. According to Mrs Moskvina, there is a proposal in the Duma (the Parliament of the Russian Federation), to increase the fee to 2% again, and she thought that would happen.

¹³ The World Bank (1996) p. xviii.

the employment service and labour market training on the federal level and regionally. Bilateral activities can be productive and relevant compliments to these projects.

III The AMS Project in St Petersburg

General Assessment: A Successful Project

The AMS project in St. Petersburg (BITS 14 September 1994, decision 36-94/95, 2.2 million SEK) must be given the highest marks regarding all aspects of achievements.

The project is a continuation of the co-operation between the Employment Committee in St. Petersburg and the County Labour Market Board in Karlstad between 1992 and 1994. During the earlier project period sound foundations were laid. Of vital importance was the successful assistance in *organisation and management questions* to the Employment Committee. Although it was mentioned in the previous evaluation¹ that less time had been devoted to this activity than planned, it is obvious that the time spent during the previous project period and continuation of these issues during the present project period have given visible and sustainable results. The degree of *decentralisation* in the employment service organisation, and the clear organisation according functional lines, appears to be results of the AMS-efforts. Apart from the fact that the assistance from the Labour Market Board in Karlstad has been of highest quality, the competence on the Russian side in choosing and modifying (sometimes even developing and improving on) Swedish solutions to the Russian reality has been decisive for the success of the project.

We would also like to mention the personal engagement on both the Swedish and Russian sides in the project as an important factor for the success. The personal confidence developed during many years between the Director of the Labour Market Board in Karlstad, Göran Pettersson, his Swedish collaborators and the partners in St. Petersburg, is an element whose effects on the concrete results are difficult to evaluate, but clearly, it is one of the basic ingredients in a single activity. High cultural competence on both sides, and the choice of a highly competent interpreter, who has been able to take part continuously in the co-operation, are other elements which have contributed substantially to the achievements of the co-operation.

1. *The Institutional Setting*

The Employment Committee in St. Petersburg was created in 1992. This was a consequence of the Law on Employment stipulating that a Federal Employment Service was to be created and financed through a fee on the wage funds. Employment Committees or Regional Employment Services have been created in all the 89 sub-subjects of Russia. They are all subordinated the Federal Committee of Employment Service in Moscow. The Employment Committee in St. Petersburg is one of the most progressive in Russia. In just 4 years, chairman Mr Dmitrii Cherneiko and his collaborators have created a modern organisation for management of labour market policies

An important condition for this accomplishment, has been the relatively good financial position of the Committee. The collection of the fee from the wages funds of all employers has been much more successful than the collection of taxes. Informal estimates indicate that on average the Employment service will collect about 80 percent of its dues in 1996, while the tax service presently collects around 40 percent of potential revenues.

¹ Swedish International Services (1994) pp. 8-9.

In addition, the number of registered unemployed has not risen as fast as was expected during *perestroika* and at the beginning of the transition in 1992. (See *Tables I:1-2* above). It follows, that the Committee, as the federal employment service as a whole, has had resources to build up the organisation, while the number of unemployed to serve has been relatively low.

It is also evident, that the Committee so far has been able to put a large share of the registered unemployed in active measures. In the previous evaluation report² it was noted that 67 percent was spent on such active measures. Now, however, the situation is changing due to a rise in unemployment and less financial resources.

Changing financial conditions

According to the temporary appointed chairman of the FES, Mrs Moskvina, there are almost no problems in the collection of fees and no particular problem with the payment from the regional level to the federal level. However, in later discussions it appeared that the Employment Committee in St. Petersburg had not paid to the federal level since August 1995, and that they did not find that they were legally bound to do so. The financial constraints were felt because of the reduction of the percent paid by the employers to the employment fund, but also due to non-payments. According to estimates, employers in St Petersburg owed the Committee 30 billion RUR. The deterioration of finance was repeated and discussed during many other meetings in St Petersburg, and had resulted in, e.g., fewer people being directed to training this year and longer waiting for the unemployed until they could be accepted to training. This is also one of the reasons for the reorganisation of financing of training measures. (See below section on *Amu Projects* and *Petersfond*).

2. *Project Results*

The project had the following objectives and activities planned for the project period 1994-1996:

- Training of district and office managers in management by objectives, budgeting, work planning, measurement and evaluation of results, and implementation of these elements in the organisation.
- Advise regarding "Job Expo", a special type of service provided by the employment service offices exposing vacancies to the job seekers.
- Training of employment service specialists in vocational guidance
- Training in methods for job placement and contacts with the employers
- Training in special employment services to handicapped.
- Training in measures against youth unemployment.

All activities in the project plan have been undertaken. The objectives of the training have been fulfilled and the results are visible.

Training of district and office managers

The training undertaken has given a good understanding of how to manage an office and a district. The functions of different parts in the organisation are clear and well understood by the persons in the organisation. The advantages of decentralisation are, likewise, well accepted.

The organisation of work with the unemployed is also well developed. In the model office, we were able to follow the same "path" as the unemployed through the office to get various services. This path had all the vital components of a modern employment office;

² This includes the cost of operating the Employment Service. Swedish International(1994), p. 6.

information about vacancies, reception, professional orientation, professional consultations and tests for ability, clubs for the unemployed, special service for youth, etc. The treatment of the clients - the unemployed - is human and respectful; e.g. they have appointments with the counsellors and psychologists and do not have to queue, and special information is given every morning to new job seekers about procedures.

Thus, knowledge transferred about the Swedish system, modified in order to function in a Russian setting, has been successful. Also indirect knowledge has been transferred, such as high work motivation of the employees, the design of the offices, simple but nice lunch rooms for the employees, and on the whole a creative and pleasant atmosphere for both employees and clients,.

Job Expo

This is a concept the Russians have developed further themselves. According to the Swedish side, at least 30 persons are directly specialising on this kind of placement service in the St. Petersburg system now. In the employment office we visited there was a computer open to the job seekers themselves where they could seek jobs. The manager responsible for this section had several ideas of how to develop this service further.

The Committee had also organised job fairs. This type of service had been developed and expanded. Instead of organising big fairs, which could be visited by up to 25 000 people per day, just a couple of employers were now invited each time. These "mini-fairs" had proved much more efficient, since the job seekers and employers, many times represented by a supervisor or foreman at the enterprise, could meet directly and talk in-depth about the jobs. The *matching* results, i.e. that the right person was getting the right job were said to be high.

Employer contacts

The necessity to engage the employers in order to succeed in the task of finding jobs for the unemployed has been taken seriously by the Committee and the employment services. The Committee has made the year 1996 into "The Year of the Employers". The employment offices have special staff who are responsible for these contacts. The contacts may be taken first to control that the employer pay their dues to the employment service. Then, however, the services try to market themselves so that the employers will provide them with vacancies and co-operate to get the right people to the right jobs. In the beginning of their existence the employment services still suffered from the reputation of the old job placement bureaux both among employers and job seekers, but it seems that the way the services now market themselves and the way they actually work, they will over-come this finally. Still, as was remarked by Mr Cherneiko, it is difficult to convince e.g. foreign firms that they ought to consult the employment service instead of recruiting staff all on their own: "They do not want real information about real people", Mr Cherneiko said, referring to an example with *Coca-Cola*, having recruited staff at at least 3 times the going wage, and afterwards having had problems with employment contracts, etc. If the Employment Service continue their marketing and show they are efficient, these problems will probably cease in the future.

The launching of *job expo* and the mini-fairs, is certainly a good element in the development of the employment services' co-operation with the employers. In addition, the Employment Service co-operates with a new Association for the Departments of Personnel and Economy of the enterprises, and with private recruitment firms.

Training in vocational orientation and youth unemployment

The assistance in developing the vocational guidance and special services to youth seem to have had positive results as well. The specialists we met working with the unemployed, helping them choosing the right profession or finding out if they would be suitable to start their own business, were professional, usually with a university degree in

psychology as a start. Standard tests are used to determine the abilities and opportunities of the unemployed.

Special service to youth, in particular those finishing school and those coming back from the army, were provided at the model office we visited. In addition, since private employment services are permitted and the Employment Service work in close contact with these, a special counter for one of these private services specialising in youth, was located next to other services in the reception room. In addition, the employment services have special youth programs including visits to schools and invitation of school-leavers to the offices for information about different opportunities and professional orientation. It is interesting to note the close co-operation with private employment services which even includes giving them free advertising space. It was not until recently the Swedish AMS had formal monopoly on employment services.

Services to disabled

One of the seminar was dedicated the provision of special services to disabled job-seekers. This resulted in the creation of an employment office inside an institute for rehabilitation of handicapped in St Petersburg. The director of this office was the only one directly involved with employment of handicapped included in the seminar. Having visited *Samhall* this person was impressed, but since the financial conditions are such that it would be impossible to create an independent base for such services, an initiative had been taken to incorporate this kind of services into this institute, which had been done with success. The handicapped job-seekers turning to this employment service are basically physically. Since the infrastructure in St. Petersburg and in Russian enterprises and organisations are not enough developed to take physically handicapped on ordinary jobs, the service worked mainly with searching for the types of jobs which could be done by the handicapped at home (e.g. jobs that could be done by telephone or assembly of components).

The special employment service worked in close contact with the rehabilitation institute for motivating the handicapped to take jobs and also to give them professional orientation and testing for physical and psychological abilities. The service could demonstrate a book with reactions of handicapped having turned to the service for help. These notes expressed profound gratitude to the human and dignified treatment they had experienced in their contacts with the service.

Several questions were asked on whether and how they helped war veterans (from Afghanistan and Chechniya). This did not seem to be a popular theme, but obviously they had some of these veterans at the institute, which also includes a medical clinic for full physical and psychological treatment of the handicapped. Most of the employment service to war veterans was evidently taken care of by the special associations/organisations of war veterans. These organisations even run their own enterprises, which offer jobs to those returning from war. The facilities of the institute for testing of different aspects of ability were demonstrated along with the work shops for work rehabilitation. The theoretical foundations and the test facilities seemed to be run by staff with high professional standards. Also, the general sensibility towards people with handicaps appeared to be of high quality. However, the facilities to practically reintroduce the handicapped to work were small. The work-shops included a room with old-fashioned typewriters to learn typing and secretarial work, a room with sewing machines, and a work-shop for shoe-repair. The latter was the best the institute could offer male clients, however, some of them volunteered for typing lessons as well.

The work with the disabled is a weak part of the services and could perhaps be given resources by the Employment Service in order to develop. In particular, the creative initiatives

and the Russian pragmatic approach and ability to find solutions given the economic constraints, indicate that there is a potential even in this difficult field.³

3. *Side Effects*

As has already been mentioned, the project has been successful which is due to high competence on both sides of the co-operation. In addition to what *should* be achieved in the project according to the project plan, several interesting side-effects can be noted.

Swedish unemployed on practice in St. Petersburg

A quite extraordinary measure is the initiative of the Labour Market Board in Karlstad to start a course in business training for unemployed Swedes with the ultimate purpose that they would be able to have business with enterprises in Russia. So far, 20 students went through this course including *10 weeks practise* at enterprises in St. Petersburg! Two of the participants have now started their own business.

Job opportunities for unemployed immigrants in Värmland

Another initiative is the use of the Labour Market Board's contacts in St. Petersburg, and through their programs in Poland and Hungary, to find job opportunities for unemployed Swedish immigrants from these countries. This initiative is taken in co-operation with the Swedish Export Federation (Exportrådet). These unemployed are given tasks as, for instance, to try to find interested enterprises in these countries with which enterprises in Värmland could co-operate, thus creating new jobs in the Swedish enterprises.

Co-operation with other donors

In the same spirit are the efforts to create wider types of co-operation projects with other actors as the municipalities in Värmland and other donors. A concrete example is the declaration from 19 December 1995, including the Labour Market Board in Värmland, the Committee on Employment of St Petersburg, the Labour Market District of St Michel's County in Finland, and the municipalities of Värmland, on co-operation in the spheres of :

- Enterprise contacts
- Inter-municipality co-operation
- Co-operation between employment services and municipalities
- Labour market
- Other (e.g. tourism, environment, culture, sport).

4. *Cost Efficiency*

According to the account given to us by the Labour Market Board the costs for the undertaken activities were as follows:

Of the total budget of 2.2 million SEK, 1.6 million SEK, or 72 percent has been spent. The average cost per participant directly involved varies, but the average is around 14 thousand SEK, which is rather high. However, this sum *includes the administrative cost* of AMS.

³ The students in the shoe-repair shop now repaired shoes of the personnel and outsiders for free. Why not include some business training and develop this into business? (Also, some arrangement could be thought for developing the equipment in the work-shops. Fund raising for such purposes could be a relevant experience for the Swedish partners as well, who have experience mostly of costly solutions to these problems).

AMS SPg (BITS 36-94/95 2. 23 million SEK)

Table III:1 Costs of Activities in the AMS St Petersburg Project 1994-1996

Activity	Number of persons directly participating	"Indirect" participants*	Total cost (SEK)	Cost/person (SEK)
Training of management by objectives	34	100	414 769	12 199
Seminar on youth unemployment	8		105 255	13 157
Training on employer contacts, matching	10	80	336 807	33 681
Job Expo	7	30	316 807	56 034
Vocational orientation	24		392 236	13 193
Following-up seminars	35**	200	49 530	1 415
TOTAL	173	410	1 615 233	13 688

* Persons having taken part in following-up seminars in St. Petersburg. ** According to AMS in Stockholm. Karlstad says 90 persons.

According to AMS the break-down between remuneration, administration and other cost is as follows:

Table III:2 Break - down of Costs for AMS Project in St. Petersburg 1994-1996

	Total	Remuneration	Administration	Other
SEK	1 615 233	941 163	470 000	204 070
Percent	100	58	29	13

Thus, if we *exclude the administrative costs* of on average 29 %, we get an *average cost* per directly involved participant of 10 000 SEK which is normal compared to the other projects.

Costs vary between the projects, the basic reason being whether the activity has been taken place in Sweden or St. Petersburg. The *job expo* has an extreme high average cost, but the target group is also large. From the account of AMS, we can see that 57 percent is due to remuneration (including administration of 29 percent) and 43 percent is "other", which probably is mainly hotel and travel. The other item on the expensive side is the employer contact activity, where remuneration plus administration is 61 percent and "other" 39 percent. Since the project has a reasonable over-all average cost, the expensive visits to Sweden are matched by inexpensive activities in St. Petersburg, and also concern many "indirect" participants, we find the cost efficiency reasonable.

5. Continued Co-operation

The co-operation has been successful, and a continuation is recommended provided such an interest prevails on the Russian and Swedish sides. Labour market policy is an area in which Sweden still has something to contribute, and the Russians need further assistance now when *unemployment is rising and financial constraints are getting more severe. It is felt that also the Swedish party could contribute substantially to a continuation, and that "soft" money is still needed to keep the contacts at the productive level they are at present.

The following priority areas for further co-operation were mentioned by the Russian side during the visit of this team to St. Petersburg:

- *Organisational change.* Continuation of exchange of experience. Changes in the AMS-organisation are of great interest.
- *Personnel policy.* How to motivate the personnel of the Employment service in a situation of uncertainty and low wages in the state sector.
- *Co-operation with other actors.* See initiative with municipalities and other donors, above.
- *Work with the employers.* Several ideas for deepening the co-operation in this area was mentioned by the Russian side.

In addition the following more detailed areas were mentioned by individuals taking part in the discussions:⁴

- Further decentralisation of management
- Planning of the work together with the employees
- Evaluation of the work of the employees
- Improvement of the matching services
- Improvement of services to youth and handicapped
- Make the job seekers more active in their search for jobs
- Coping with the long-term unemployed
- Improved services to the large share of unemployed being women in their 40s with higher education
- Methodological problems, as e.g. how to register vacancies, how to work with them, development of *job expo*, improvement of register of job seekers, etc.

Furthermore, it would be valuable if the Committee on Employment of St. Petersburg would get help to share their experiences with some other region in Russia. Efforts directed towards the *dissemination of the experience of St. Petersburg* would be productive. The Swedish project organisation obviously has a unique experience of how to work with the Russians in a productive way and get visible results. Novgorod has been interested in building up a system similar to that in St. Petersburg.

⁴ Round table with district and office managers and participants in seminars, 16 September 1996.

IV The AMS Project in Moscow

General Assessment: All Goals not Reached

The AMS project in Moscow (BITS 6 September 1994, decision 28-94/95, 1.5 million SEK) consists of two parts: One is concerned with improving the information flows within the Federal Employment Service (FES) and the external information about FES and their activities to the population, the other with evaluation of the activities of employment service offices (i.e. how to measure the results of their services). The general impression of these projects is that there are competent specialists on both sides having worked on the problems, but the projects have not fully reached the anticipated results and are not finished. Some activities are going to take place during this autumn. The basic problem seems to be some lack of time for management of the projects on both the Swedish and the Russian side and personnel changes.

1. *Changing Institutional Setting*

Quite big changes are under the way and have to some extent taken place concerning the institutional setting around the Federal Employment Service (FES). According to a decree this year, the FES is going to be part of a new ministry, the Ministry of Labour and Social Development. According to Mrs Moskvina, the present acting chairman¹ of the FES this would not affect the independence of the FES or the financial situation. The Law of Employment guarantees the FES an independent status and its own revenue from the 1.5%-2 % fee on the wages funds.² However, one might think about this, with the big difficulties the Russian government has with its budget revenues. Into the new ministry goes also, except for the FES and the Ministry of Labour, the Ministry of Social Protection of the Population, a ministry which like the FES had an extra-budgetary fund to finance its costs from.

Both Mrs Moskvina and the head of the international department, Mr Dubov, said that this institutional change would not change anything in the international projects that FES has. Some talks to employees of the FES, however, suggested that there might be personnel changes since the new ministry does not need so many staff.

2. *Project Results*

The objectives of the project were to:

- Developing of an evaluation model for job placement services and testing this model in four different counties (*oblast's*) of which three in NW Russia.
- Development of forms for external and internal information of the federal Employment Service (FES).
- Present methods for coping with disabled job-seekers (*Samhall, arbetslivstjänst*)

The awaited results were:

¹ Mr Prokopov, the former head of the FES was dismissed from this position during the summer 1996.

² The fee was 2% up to 1996. In 1996 it was 1.5%. According to Mrs Moskvina, there is a proposal in the Duma (the Parliament of the Russian Federation), to increase the fee to 2% again, and she thought that would happen.

- That the FES would acquire good knowledge of result indicators and evaluation of job placement activities.
- A model for the evaluation of results would be developed and tested.
- Better ability of FES to handle information issues.
- A work plan (or a policy document) on how to organise and develop information issues in FES
- Proposals for developing work places for the disabled.

As far as we could see, what had been achieved was the following:

Evaluation of Job Placement Activities

The FES, together with the AMS experts Claes Göran Lock and Christer Birkestad, has worked out result indicators for evaluating the efficiency of employment office services, especially job placement activities. The Russian specialists did not, however, understand how to implement the indicators and use them in the practical evaluation of the activities of the employment offices. There were too many indicators, according to them, and they thought they needed help to find more synthesised measures. To the team the indicators seemed to be the normal indicators according to which job placement in Sweden is evaluated. The Russian party was very satisfied with the co-operation with Mr Lock and Mr Birkestad, but they thought the project was not finished. As far as we understand, the model had been preliminary tested in some *oblast's*, but more work is needed to prepare an implementation of the model.³

Information

We were informed by the secretary for international affairs Mr Dubov, that they had worked out a brochure about the Employment Service to the population. Mr Dubov also considered that the project needed to be continued. No work plan or policy document on these issues was presented.

According to a report (June 1996) by Mr Robin Lapidus, who besides Mr Mats Silvell, Head of the AMS Information Division, has been the central expert from the Swedish side in the project, one seminar in Sweden and one workshop in Stockholm has been held (December 1994 and December 1995). In addition, AMS has been on a fact finding and preparatory mission to Moscow in June 1995.

Measures for the disabled

Some persons from FES had participated in a study-visit to Sweden on these issues, including a visit to *Samhall*, which had made a big impression on them. No measures had been undertaken as a result of this measure, though. At least one person from St. Petersburg was participating in this study-visit, and this had had visible results. (See section on the *AMS project in St. Petersburg*).

3. *Implementation Problems*

In comparison to the results in St. Petersburg, the results of AMS' activities in Moscow are much less visible. Of course, these projects are of a different kind than the one in St. Petersburg - there a broad and comprehensive approach has been taken for how to build up and organize employment service - in Moscow the projects are rather narrow and more theoretical. Still, even with this in mind, we find some reasons which to some extent explain the weaker results of the Moscow projects:

³ A report, given to us by Mr Lock 961014, indicates that some testing has been done. No evidence of how this was done or any other information on this was given to us by the Russians.

Working climate

The working climate in Moscow is more difficult than in St. Petersburg, because of proximity to the central government. This means that the decision makers on the Russian side are much less available than in St. Petersburg.

No operational project leader

The decentralization of decision making within FES has not gone as far in Moscow as in the Employment Committee in St. Petersburg. There was no clear project leader for any of the two projects on the Russian side.

Other donors

Moscow is a more donor intensive area compared to St. Petersburg. Therefore, persons ultimately responsible for the Swedish activities (the chairman of FES and the head of the international department), might not have enough time to follow up on these activities particularly. While we were there, it seemed that at least one group from a World Bank project was active in the FES building, and although not directly involved in their program, of course, the head of the international department always has to solve various, at least practical, problems in connection with such meetings.

Lack in confidence building

The presence of AMS in Moscow has been less than in St. Petersburg. The experts having taken part in the co-operation has come to Moscow only for work. Too little time seems to have been spent to build up a confidence. We do not say that persons need to go specially to Moscow for this, but some "socializing" outside work between the Russian and Swedish experts is necessary to improve the understanding of each other. Also, several key persons on the Russian side has not been to Sweden and therefore lack a point of reference helping them understanding rather complex connections which are self-evident to a Westerner or particularly a Swede. For instance, we think that the fact that the specialists at FES did not understand how they should use the result indicators worked out with the Swedish expert is due to that they have never seen a functioning employment service in the West, and do not know how these result indicators are used there.

4. ***Cost Efficiency***

The cost of the projects are accounted for in *Tables IV:1-2*:

AMS MOW (BITS 28-94/95)

<i>Table IV:1 Costs of AMS project in Moscow 1994-1996</i>			
<i>Activity</i>	<i>Number of persons participating</i>	<i>Total cost SEK</i>	<i>Cost/ person</i>
Advise concerning internal & external information	20	322 574	16 128
Evaluation of employment offices	100	540 112	5 401
Seminar on disabled	10	127 896	12 790
TOTAL	130	990 582	7 619

The project has higher internal administrative costs than the other projects, 36 percent. Of the total budget of 1.5 million SEK, around 1 million, or 66 percent, has been spent. Thus, there are means left to complete the project. The average cost per directly involved Russian participant so far has been about 8 000 SEK.

Table IV:2 Break-down of Costs in for AMS Project in Moscow 1995-1996

	<i>Total</i>	<i>Remuneration</i>	<i>Administration</i>	<i>Other</i>
<i>SEK</i>	990 582	323 557	350 000	317 025
<i>Percent</i>	100	33	35	32

5. Further Co-operation

The projects launched by AMS in Moscow are highly relevant, and we think it is of great importance that they are finished. As far as we understand, there is still money left to finalise the projects, and AMS has activities planned for this autumn. For future projects the FES suggested continuation within the topics in which they already have co-operation with AMS:

- Result indicators and evaluation of employment services' services
- Information within the Employment Service and for external use.

Co-ordination with other donors

We suggest clear information and, when possible, co-ordination with projects with other donors. The FES has projects with Sweden, France, Germany, Great Britain, and Canada. Especially it seems that co-operation with Scottish experience has been very fruitful. There is also a big World Bank project on modernising the employment service in the whole Russian Federation. A future project proposal should include a clear explanation of how the project relates to other projects with other donors, and in what respect the Swedish project contributes in ways that other countries do not.

Co-ordination with projects in St Petersburg

We also think it is of great importance that AMS draws on its experience in St Petersburg where the co-operation is far more developed. AMS could probably play a role in transferring experience from St Petersburg to FES, since the communication difficulties between the federal level in Moscow and St Petersburg (as well as the city of Moscow) are considerable. This will demand a lot of tact and diplomacy. A more conscious approach to the building of confidence with the Russian side, would probably raise the efficiency of the activities.

V The Amu Projects in St. Petersburg

General Assessment: A Scattered Picture

The Amu projects in St. Petersburg, *Amu SPg1* (BITS 9 May 1994, decision 120-93/94, 1.2 million SEK), and *Amu SPg 2* (Sida 30 January 1996, decision 32-96, 1.4 million SEK) give a rather scattered impression. On the one hand, high competence is available on both the Russian and the Swedish side. On the other hand, it appears that there are misunderstandings and some projects not fully fulfilled. It seems that the central reason for why the project activities had not materialised fully is the *personnel changes* in the project organisation on both sides. The project manager on the Swedish side, Bertil Oskarsson, is on leave from the project since 15 April 1996. The new project managers are Lars Andersson, the head of AmuInternational, and Alina Maric, who started working with the projects in May 1996. Also on the Russian side substantial changes have taken place. The most visible being that the responsibility for running labour market training has been removed from the Committee and been given to the newly established *Petersfond*.

The results are satisfactory. In particular the successful transfer of the concept of *modular training* - the dissemination of which over Russia is one of the basic purposes of *Petersfond* - and of the understanding of the necessity of marketing the services of training centres can be noted.

1. The Institutional Setting

Petersfond

Petersfond is a non-profit organisation, which has been set up by the Committee of Employment of the city of St. Petersburg, the St. Petersburg Sea University, and the ILO. The organisation was initiated by the Committee of Employment to relieve the Committee of the organisation of training of the unemployed. Now, the Committee gives *Petersfond* directives regarding the number of people to retrain and the money needed for this. *Petersfond* then sub-contracts training institutions that do the actual training.

Petersfond should also fund research, particularly in the modular training area, and act for the diffusion of these techniques.

Training institutions

Earlier the Committee co-operated with 100-120 training centres, but after *Petersfond* was founded, only about 20 centres have contracts for carrying out labour market training. That they are so few, is due to the rather strict criteria set for becoming a training centre employed by *Petersfond*. For instance, there is a requirement of that 80 percent of the trainees are employed after training. Another reason is the reduced shrinking resources for training which has diminished the number trained substantially. For 1996, the original plan was that 15 000 persons should undergo retraining, but because of lack of finance, the Committee had to reduce this target to 5 000.

A meeting was arranged at the methodological training centre with the heads of about 4-5 training centres, who had taken part in AMU's training seminars. These represented training centres which were used by *Petersfond*, and all the heads appeared well qualified. They were specialised in language training (English in particular), the training of construction

workers, hotel and restaurant activities, officer wives (women's service occupations, self-employment), and auto mechanics.

Stanko-Elektron

Stanko-Elektron is a former technical specialised secondary school (*tekhnikum*) whose co-operation appears to have been fruitful during the earlier years of AMU's projects in St. Petersburg. Several seminars were held on the premises of the school. The school takes part in several other international projects, as well, e.g., in the *Morozov* project, and was now looking for a partner for starting a "business incubator centre". However, there have been some problems lately. In particular, these concern the realisation of a program of training of repair-workers for consumer-durables.

The purpose of the project was to work out a training program, getting training equipment in the form of second-hand consumer durables from Amu, with two Swedish specialists coming to St. Petersburg to give instructions on how to use the equipment for training purposes.

The curriculum was worked out by teachers at the school together with the Amu specialists, and, after quite severe problems at the Russian customs, the equipment was delivered. However, the Swedish experts coming to St. Petersburg in the summer were not satisfied with the degree of preparation on the Russian side. The necessary equipment had not been installed, people were not in place, etc. On the Russian side, the teachers, claim that they had not been reimbursed for the work they have done, and the people who are supposed to be engaged in the training claim that they had not been to an awaited study-tour to Sweden.

Since it is not Swedish practice to pay teachers for preparing training materials (it is part of their jobs) the "claim" that Amu has not fulfilled their obligations should be ignored. Discussions with the Amu representatives clearly indicate that no such commitment has been made. According to Amu, the Swedish practice has been thoroughly explained to the Russians. In Russia, it is common that you are paid for producing materials and publishing, even research articles. It follows, that if some pay is going to be given, it must come from the school it-self, or from the Committee.

It appears that *Stanko-Elektron* is not among the training centres engaged by Petersfond to undertake training requested by the Committee. What the reasons are is not quite clear. It might be that *Stanko-Elektron* does not meet the standards set by *Petersfond*, or it could be an internal difference of opinion among the Russian actors.

The study-visit, which *Stanko-Elektron* claims that Amu has not yet invited them to, has taken place, according to the former project responsible Bertil Oskarsson. It might be that the Russians did not send the people directly engaged in the project, but this can hardly be blamed on Amu.

2. Project Results

According to the BITS (120-93/94) and Sida (32-96) decisions, the projects had the following objectives and activities planned for 1994-1996:

Amu SPg 1 June 1994-May 1995:

According to the BITS decision 9 May 1994, the objectives of the project are follows:

- Assisting the Committee in organising a training centre in St. Petersburg and developing this into a centre for competence development of labour market training in St. Petersburg
- Developing restaurant training at this centre according to the *modular system*

- Improving management of labour market training in St. Petersburg.

According to the Agreement between the Committee and AmuInternational, however, the modular training should be developed in

- maintenance of electrical equipment.

As a result, AmuInternational and the Committee have had co-operation in both fields.

Amu SPg 2 1996:

According to the Sida decision, the objectives of the project are:

- Improving the organisation of training centres in St. Petersburg regarding marketing, assessments of training needs and course evaluation, and decentralised management
- Establishment of training in tourist services.

The project has partly fulfilled its goals. Some activities have still not taken place as the year 1996 is still not ended. However, even keeping this in mind it is hard to see that the goals will be fully achieved.

A retraining centre for competence development has not been created

The retraining centre - the methodological centre - which according to the BITS decision appears to have been chosen for this part of the project was closed for repairs in 1994 and is was reopened only in November 1995. Nevertheless, according to Amu, staff from the centre has been participating at the seminars on organisation and management arranged by Amu, and that it was never an intention to "physically" build up a centre, only to train the staff.¹ The evaluation team did not get any strong impression of effects of Amu-related activities at the centre. Persons from other training centres were much more explicit in describing the use of experiences with the Amu. Thus, the results of the intentions to participate in the centre for competence development remain unclear.

Restaurant, tourism and hotel training

No serious development of curricula in these areas at any centre could be shown to us. The methodological centre, where this should have taken place, had a hair-dresser training work-shop. The OMIS and construction based training centres had some tourist service training, but it was unclear to what extent Amu had contributed.

Maintenance of household machinery

As has been described above, this part of the project has been fulfilled by Amu with *Stanko-Elektron*. A curriculum has been developed, instructions for how to train have been given, etc.

Improving management and organisation

This is the part of the projects which has been fulfilled and, it appears, in a qualified and efficient way. The heads of training centres interviewed claimed that they had learned a lot which they could apply in their work.

3.

Implementation Problems

As has already been mentioned, the reasons why the projects have not been fully executed according to the plans, are to a great extent linked to the changes in personnel.² In addition, reorganisation on the Russian side of the management of training has affected the

¹ This has been especially stressed by Bertil Oskarsson in a comment to an early draft of this report.

² The fact that persons have disappeared from the project organisation has upset the process of project implementation since a lot of informal knowledge is lost this way. We do not mean that new persons do not do their jobs well or that somebody would be irreplaceable in any particular project.

implementation process. Also in the cases of sending the Russians technical equipment there has been many problems due to Russian customs, and ignorance of their rules. There are some unclear issues on the Swedish side as well. For instance, the project with *Stanko-Elektron* is not reflected in the decisions of Sida and BITS, but it is clearly a part of the agreement between the Committee and Amu.

4. Cost Efficiency

According to the accounts given by AmuInternational, the direct costs for activities undertaken in accordance with the projects are shown in *Tables V:1-4*.

Amu SPg 1

Of the total 1.2 million SEK, 1.07 million SEK has been spent, i.e. 89 % of the total budget. The average cost per directly participating person in different activities varies, which is mainly due to whether the activity has been located to St. Petersburg or Sweden. The average cost taking all activities into account is 7 500 SEK, which is low. The basic reason for the low average cost is the two introduction seminars in the beginning of the project.

Amu SPg 1 (BITS 120 -93/94 1.2 million SEK)

Table V: 1 Cost of Activities in the Amu St Petersburg Project June 1994 - May 1995			
<i>Activity</i>	<i>Number of persons directly (SEK) participating</i>	<i>Total cost</i>	<i>Cost/ person (SEK)</i>
Kick-off seminar (SPg)	25	83 000	3 320
Organising model training centre, management cons.	60	150 000	2 500
Curricula household machines	10	230 000	23 000
Follow-up seminar	15	55 000	3 667
Study-visit for instructors household machines (SWE)	6	110 000	18 333
Seminar on andragogy*	20	136 000	6 800
Management seminar (SWE)	6	133 000	22 167
Project management		125 000	
Additional invoice		44 000	
TOTAL	142	1 066 000	7 507

* Pedagogics for adults

The distribution of costs between remuneration of experts, project administration and other direct costs is as follows:

Table V:2 Break - down of Costs in the Amu Project in St. Petersburg June 1994-1996				
	<i>Total</i>	<i>Remuneration</i>	<i>Administration</i>	<i>Other</i>
SEK	1 066 000	637 000	125 000	304 000
Percent	100	60	12	29

The internal project management and administration cost is substantially lower than in the AMS projects above. This may be explained by differences in how the agencies have defined various costs. On the other hand, remuneration is high as percentage share in the Amu project. This may be due to that some additional internal management and administration costs are included in this sum. Of course, Amu may be more cost-efficient than AMS.

Amu SPg 2

Of the total budget of 1.36 million SEK, 1.09 million SEK has been spent, which corresponds to 80 percent of the total budget. The project is not finished, but the estimated total cost is 1.23 million, or 90 percent of the total budget. The cost per person in different activities varies as above, which again is mainly due to whether the activity has been located to Sweden or Russia. The average cost, taking all activities into account is higher than the average in the other projects evaluated in this report, 15 000- 16 000 SEK.

Amu SPg 2 (Sida 32-96 1.36 million SEK)

Table V:3 Cost of activities in the Amu St Petersburg project in 1996

<i>Activity</i>	<i>Number of persons directly (SEK) participating</i>	<i>Total cost person</i>	<i>Cost/ (SEK)</i>
Seminar on marketing/ training needs (SPg)	25	70 000	2 800
Study-visit marketing/ training needs (SWE)	7	154 000	22 000
Seminar on personnel policy (SPg)	20	70 000*	3 500
Study-visit on personnel policy (SWE)	6	160 000*	26 667
Study-visit tourism (SWE)	6	136 000	22 666
Development curricula tourism	6	180 000	30 000
Implementation curricula tourism	? (6)	140 000*	(23 300)
Project management		92 000	
Interpretation		31 000	
Equipment		200 000	
TOTAL	70 (76)	1 093 000 (1 233 000)	15 614 (16 224)

* Not yet invoiced, estimated cost.

The break-down between different types of costs is reported as follows:

Table V:4 Break - down of Costs in the Amu Project in St. Petersburg 1996

	<i>Total</i>	<i>Remuneration</i>	<i>Administration</i>	<i>Other</i>
<i>SEK</i>	1 233 000	652 500	92 000	488 500
<i>Percent</i>	100	54	7	40

This project shows an even lower cost for project management.

5. Continued Co-operation

Several suggestions were made by the Russians during the mission regarding possible ways of continuing the co-operation with Amu of which the continued co-operation with Petersfond on the diffusion of *modular training* appears to have a particular strong support. The heads of the training centres we met were especially interested in continued technical assistance in the area of organisation, management and marketing of training centres.

VI The Amu Projects in Moscow

General Assessment: High Level of Competence

The Amu projects in Moscow, *Amu MOW 1* (BITS 1994-04-12, decision 110-93/94, 1.2 million SEK), and *Amu MOW 2* (Sida 1995-10-19, decision 93/95, 1.47 million SEK), have been manned by competent staff on the Russian side as well as on the Swedish. The main idea in this project is to introduce modern training concepts and methods in the training system for the unemployed. The project has almost an academic character. A great part of the co-operation has been done in the form of working out *manuals* for vocational guidance, vocational training, distance learning and modular training. Two of the manuals are ready and have been published (in Russian) by RUTs and the FES.³ The Swedish contribution for the handbook on distance learning was reported to be ready in October.

1. *RUTs*

The main party on the Russian side is RUTs - *Russian Uchebnyi Tsent*, which was established in 1993. The centre now has offices in two buildings in the outskirts of Moscow and has a staff of about 150 persons. The professional level of the staff is high, there are 14 professorial chairs, and 38 *kandidaty* (may be compared to a Swedish *fil.lic.*). The Russian project manager is professor Novikov who together with a highly qualified group have been working with the manuals.

The RUTs is formally appointed by FES to handle the Amu project. This has been the case since 1995, when RUTs operated in accordance to an official letter from FES. For the activities in 1996, they even have a decree (*prikaz*) saying that they are responsible for the fulfilment of the Amu project. Earlier RUTs took part in Amu programs but on a more informal basis.

The RUTs has an advanced department for *multimedia* development. The centre develop its own training programs which are diffused by FES to the regional training centres, which have the necessary equipment for using these sophisticated training instruments. The idea of the multimedia interactive programs is that each individual can go through a course by himself at his own pace. The programs even contain tests.

2. *Project Results*

The Amu projects in Moscow are based on two decisions of BITS and Sida.

Amu MOW 1 1995:

The first project had the following goals:

³ FES, RUTs, & AmuGruppen (1996a) & (1996b).

- Training of 15 heads of training centres in north-west Russia by seminars and study-visits in Moscow and Sweden. The areas of training were organisation, management, the quality of training, market analyses and marketing.
- The production of two manuals on teaching methods and vocational guidance.
- The methodology, teaching methods and techniques of distance learning.

Amu MOW 2 1996:

The second project aimed at :

- Developing modular curricula
- Continuing the exchange of information on distance learning
- Developing the organisation of the training centre in Murmansk

The evaluation team did not visit Murmansk, so that part of the project is not evaluated. Judging from the discussions in Moscow, it seems that seminars have been taken place in Murmansk, but it remains unclear to what extent the organisational development has advanced at this particular centre.

The other parts in these projects appear to have been fulfilled in general, although some delay can be noted in the finalising of the two manuals planned to be ready in 1995. The Amu contribution was finished in 1995, and they were published after amendments in 1996.

Modular curricula

The basic idea, and advantage, with modular curricula is that a person needs not to go through a full education, but the training is tailor made to suit the person's individual needs. Which abilities are needed is directed by what the labour market demands, so before you start looking at the job seekers *competence profile* you have analysed the labour market situation - which jobs are available, which abilities are demanded or may be demanded in the near future. Thus, the idea with modular training is to train persons in a very efficient way and make them "fit" to the labour market again.

The method is well known internationally and it is backed and diffused by the ILO⁴. It is also a central element in the World Bank project that Amu takes part in with AFPA⁵ and ORT.⁶

The Russians are very attracted by the concept of modular training and it is already being applied at training centres.

Distance learning

Since Russia is a large country, distance learning should be relevant. Furthermore, Sweden has a long tradition of such types of training. Most Swedes are familiar with *Hermods*, one of the distance learning companies which had an immense impact on the general education of Swedish people, particularly during the first half of this century: You could be living anywhere where there was mail service and learn by correspondence. In Russia, distance learning has not been developed because of the lack of efficient mail and telephone communications.

Today, the new techniques, with possibilities to communicate through computer networks and television, open new perspectives for distance learning, and the Russians are keen to develop in this area. The Amu contribution appears to a large extent be to explain the

⁴ International Labour Organisation.

⁵ The French training organisation for unemployed.

⁶ An international training organisation originally established by and for Jews in 1862.

concept of distance learning and its pedagogical aspects. The Russians tend, so far, to be a bit too much geared towards the development of sophisticated technical systems. There is still a problem with telephone communications in the Russian Federation and, therefore, sophisticated systems might be vulnerable. The discussions and activities which have taken place so far have been useful, and a Swedish partner is well equipped for continuing the co-operation in this field. There are many suppliers on this market.

The next step in this project is the completion of the Russian contribution to the manual on distance learning. The Swedish part was delivered in early October. As was the case with the previous two manuals, a seminar with the Russian side on amendments and improvements is planned.

Training adults

An element in the technical assistance provided by Amu, which was stressed in the earlier project proposals (1992,1993) but is not now present as a separate goal, is the transfer of techniques of how to train adults, which is different from training children or young students. The Russian party stressed this as still being a major contribution in the projects with Amu. *What* should be taught, i.e. the content of courses, or *modules*, this is something the Russians are quite able to cope with themselves. However, *how* to transfer the knowledge to adults is something they have learnt much about, and they are still learning from Amu.

What might be added, as a note for the continued co-operation, is that a large part of the unemployed in Russia are women in their 40s with higher education. Thus, methods developed mainly to train people with low motivation and lack of study accustomedness, might need adjustments in order to be efficient with different categories of unemployed in Russia. The Russian side seemed to be aware of this and adjustments to the Russian conditions were done, not only from this aspect. It should be mentioned that also Amu has experienced a change. Low educated and poorly motivated unemployed were a large part of the trainees in Sweden in the 1970s. Now, the situation has changed and Amu is training a large number of people with middle and higher education.

3. *Reasons for Good Achievements*

The *high competence* and high motivation on both sides is the central element why this rather difficult project shows such good results. It is also interesting to note that the competence is complementary. The Russian side is rather "academic" in its approach to their tasks, which makes the project solid. Amu has contributed modern and well developed methods for how training should be organised and, obviously, Amu has influenced the work methods in the practical project work. The problems that Amu have in St. Petersburg are not present in Moscow, although also here people have changed places.

Another important factor is the clear *organisation* and *management* of the project. That FES has formally and practically delegated the responsibility of the project to RUTs gives the project a clear structure. Also on the Swedish side there seem to be an efficient management and organisation. The fact that both the present department director of AmuInternational, Lars Andersson, and Bertil Oskarsson's successor, Alina Maric, are strongly engaged in the project and appreciated by the Russians, are central elements of the positive achievements. Previous project managers are also remembered with great appreciation by the Russians.⁷

⁷ The Russian team in particularly stressed the fruitfulness of the early contacts with Mrs Birgitta Tellman-Beck and Mr Bertil Oskarsson.

4. Cost Efficiency

According to the figures from Amu, the budgets of the projects has been used in accordance with *Tables V:1-4*.

Amu MOW 1 (BITS 100-93/94 1.2 million SEK)

Table VI:1 Cost of activities in the Amu Moscow project in 1995			
<i>Activity</i>	<i>Number of persons directly (SEK) participating</i>	<i>Total cost</i>	<i>Cost/ person (SEK)</i>
Kick-off	25	70 000	2800
Management training for VET centre (SWE)	16	338 000	21125
Seminar on distance learning (MOW)	25	69 000	2760
Study-visit on distance learning (SWE)	6	146 000	24 333
Development of manuals in androgogics and vocational guidance	6	401 000	(66 833)
Presentation	25		12935
Project management		60 000	
TOTAL	97	1 084 000	11 175

Amu MOW 1

Of the total budget of 1.2 million SEK, 1.08 million, or 90 percent, has been spent. The cost per directly participating person in the projects varies, it is particularly high for the development of the manuals (excluding the seminar where they were presented, the per capita cost is over 60 000). But one must take into account that these books are diffused to many trainers, the original edition was 500 copies each and it is all distributed. According to both FES and Amu the handbooks are used by the teachers who find them relevant and useful. The Amu participants get many questions from readers when visiting Moscow. The FES wants to print another edition, but does not have the necessary means. The average cost per directly participating person is around 11 000 SEK, well in line with the other projects.

The distributions of costs is as in *Table V:2*:

Table VI:2 Break - down of Costs in the Amu Project in Moscow 1994-1995				
	<i>Total</i>	<i>Remuneration</i>	<i>Administration</i>	<i>Other</i>
SEK	1 084 000	580 000	60 000	444 000
Percent	100	54	5	41

Amu MOW 2

Of a total assigned budget of 1.47 million SEK, the estimated costs are 1.33 million, or 90 percent. The average cost per person in this about 8000-9000 SEK. One should note that only 43 percent (640 000 SEK) of the budget had been spent by October 1996.

Amu MOW 2 (Sida 93/95 1.47 million SEK)

Table VI:3 Cost of activities in the Amu Moscow project in 1996			
<i>Activity</i>	<i>Number of persons directly (SEK) participating</i>	<i>Total cost person</i>	<i>Cost/ (SEK)</i>
Seminar on distance learning (MOW)	25	61 000	2 440
Study-visit on distance learning (SWE)	16	206 000	12 875
Seminar on modular training (MOW)	25	57 000	2 280
Study-visit on modular training (SWE)	16	144 000	9 000
Development of handbooks on distance learning and modular training	6	400 000*	66 667
Seminar on handbooks	25	70 000*	2 800
Seminar on work organisation in Murmansk	25	70 000*	2 800
Study visit on VET organisation	6	150 000*	2 500
Project management		100 000	
Printing/translation		70 000	
TOTAL	82	638 000	7 780
	(144)	(1 328 000)	(9 222)

*Work in progress, not yet invoiced.

The structure of costs is the same as in the other reported Amu projects (*Table VI:4*).

Table VI:4 Break - down of Costs in the Amu Project in Moscow 1996				
	<i>Total</i>	<i>Remuneration</i>	<i>Administration</i>	<i>Other</i>
<i>SEK</i>	1 328 000	725 000	100 000	503 000
<i>Percent</i>	100	55	7	38

5. Co-operation with Other Donors

Amu is held in high esteem both by FES and other donors in Moscow. Therefore, Amu is involved in several projects with other international organisations. In particular, its participation in a big World Bank project (see above) should be mentioned, whose objectives are the development of modular training programs in Russia and the modernisation of three training centres in regions of Russia (Ryazan, Smolensk, and Saratov).

6. Ideas for Future Co-operation

The RUTs expressed their interest in the continuation of the co-operation in the following fields:

- Development of the multimedia techniques
- How to organise and manage an Amu centre
- Implementation of the distance learning concept. (It was suggested that this could be done at the centre in Murmansk.)
- To make a Russian-Swedish dictionary (or add to an existing dictionary) of labour market and labour market training terminology. RUTs has already done such a dictionary with English, German, French, Russian, and Spanish.

(This was deemed important since many concepts are not fully understood even when they are translated, and it is convenient to have a standard translated terminology.)

The person responsible for training at FES, Mr Kyazimov, expressed interest in further co-operation in the *modular* and *distant learning* fields. Mrs Moskvina, the acting head of FES, supported these ideas. She also expressed her appreciation of the manuals which had been produced and stressed their importance as a concrete result of the productive co-operation.

These project ideas are good and relevant. Both sides could contribute and profit from projects in these fields. However, the multimedia project should not be given priority if the other project ideas are developed into projects. The argument is that the multimedia development is costly, and it might be questioned if further development of these techniques is the most needed now. Since the products produced by the department at RUTs are attractive and relevant also for other institutions than the state run training centres, one might ask if further development could not be financed in other ways than by technical assistance money.⁸

⁸ Amu has in a comment to this said they would be interested in developing the *use* of existing programs and techniques, not developing new programs as such.

VII Conclusions and Recommendations

1. *Main Dimensions of the Evaluation*

This report provides an evaluation of the AMS and Amu technical assistance projects with the Federal Employment Service of the Russian Federation and the Employment Committee of the city of St. Petersburg which have been financed by BITS and Sida between 1994 and 1996. The main dimensions of the evaluation are:

- Achievements of objectives
- Relevance in perspective of the labour market situation and the needs they are intended to serve.
- Whether the results are sustainable
- Side-effects, positive or negative
- Efficiency of project implementation
- Cost-efficiency.

In addition, the report gives Sida recommendations on the potential of supporting future projects and suggests improvements in project objectives and design with special regard to:

- Relevance of projects with regard to the needs they intend to serve and the potential impact of transfer of knowledge from Sweden.
- Organisational strength of the Russian counterparts.
- Possibilities of co-ordination and co-financing with other donors.

2. *Conclusions of Results of Past Co-operation*

Achievements of Objectives

With respect to achievements of objectives the *AMS project in St. Petersburg* is outstanding. The results of the AMS activities over the years are visible and sustainable. Vital factors behind the success are: Clear and precise goals and objectives, clear and efficient project organisations on both sides, personal commitment and motivation, good understanding and a high degree of confidence between the counterparts.

The *AMS project in Moscow* has had problems in this respect. Factors having contributed to the fact that all goals have not been reached are, e.g.: Personnel changes on the Swedish side, lack of efficient project management on both sides, too little attention paid to the importance of building up confidence between the individuals directly involved, key persons on the Russian side lacking hands-on experience of the Swedish reality.

The *Amu projects in St. Petersburg* also suffer from some deficiencies in the goal fulfilment. Here the main reasons seem to be personnel and organisational changes in the project organisations on both sides, and some unclearness of which objectives should actually be achieved. Still, project results are not bad and in several aspects e.g., the introduction of the modular training concept, there are sustainable results.

The *Amu projects in Moscow* show good and concrete achievements of their objectives. Important elements in this are: High competence and motivation on both sides and a clear delegation of the project management on the Russian side. The production of handbooks obviously give the project a high potential for dissemination of the results to a large audience with sustainable effects.

Relevance

All the projects evaluated have high relevance for the development of the Russian labour market infrastructure and employment policies. The Russian counterparts have proved well capable of adapting Swedish ideas and experiences to the Russian context. Especially this is a clear feature in the AMS project in St. Petersburg and in the Amu projects in Moscow.

Sustainable Effects and Side Effects

Sustainable effects and positive side-effects of the project activities have particularly been found in the AMS project in St. Petersburg and the Amu projects in Moscow. No negative side-effects have been found.

Efficiency of the Project Implementation

The efficiency of the project implementation is particularly high in the AMS project in St. Petersburg. The Amu projects in Moscow have also performed very well, unfortunately the projects in St. Petersburg have suffered from personnel and organisational changes. The activities having been performed in the AMS project in Moscow have been reasonable effective, however, the results are a bit unclear.

Cost Efficiency

All projects show reasonable cost-efficiency in terms of total costs and volume of activities, and in terms of average cost per directly involved participant. Internal administration costs are reported higher for the AMS projects, particularly the one in Moscow, than for the Amu projects. Of course Amu could be more cost-efficient, but differences between the agencies are to some degree probably explained by different definitions and reporting of costs by the two agencies. This, as other difference in reporting of project activities, indicate the need of some standard form for reporting on performance.

3. *Recommendations (R#) for Future Co-operation*

General

R 1 Continued co-operation

Long traditions of active labour market policy means that Sweden has comparative advantages in giving technical assistance in this area. AMS and Amu have shown high competence in delivering such technical assistance. The Russian counterparts have proved well capable of adapting Swedish ideas and experiences to the Russian context. Labour market policy is also one of the priority areas in Sida's strategy for long-term co-operation with the Russian Federation.

Sida is recommended to continue financing well defined projects with the Russian Federation in the labour market field. Projects aiming at deepening in already existing project fields is of particular interest.

R 2 The importance of Moscow

The north-west of Russia is a priority area for Swedish technical assistance. Yet, general economic and labour market policies, and the framework in which this region may act and develop are determined centrally in Moscow, as for the whole of the Russian Federation. The fact that both AMS and Amu have established solid contacts with FES in Moscow, and also run projects there, is of great importance for the dissemination of results to other regions of Russia, co-ordination with other donors' activities, and smooth relations with the Russian authorities.

Sida is recommended that all projects run in the north-west of Russia have the support of FES in Moscow, i.e. FES should be informed about projects and, if possible, involved e.g., in diffusing experience to other regions of Russia. It is also recommended that well defined direct co-operation with FES is continued.

R3 Co-ordination with other donor activities

Other donors, e.g. the World Bank, have projects in the labour market field. Both AMS and Amu take part in such projects.

Sida is recommended to demand clear descriptions in project proposals from the implementing agencies of how the Sida financed projects compliment other technical assistance projects, financed by other donors, in the Russian Federation. Sida is also recommended to take part in co-financing with other donors of labour market projects in which relevant Swedish organisations or experts are engaged, if such proposals occur.

R4 Project documentation

There is a rich documentation about the project activities for all the evaluated projects. However, each project has been documented and reported differently, which makes it rather difficult to get an overview, in particular in this case when six projects were under evaluation. A standard form (which in principle could be a list of items which are relevant for Sida's supervision and decision making) for reporting the main results and indicators of project performance would help evaluators, and also the implementing project organiser, as well as Sida, in following-up and supervising project activities.

Sida is recommended to develop and implement a standard form for how to present and summarise briefly project results and main indicators of project performance.

Project Objectives and Design

R5 Clear operational management

All projects subject to this evaluation have had clear project objectives and good project design. Nevertheless, there are some quality differences between the projects in this respect, and this has affected the efficiency of implementation. Project documents, such as agreements between the parties, have been signed by the ultimately responsible for the projects. Sometimes, however, the operational responsibility has not been clearly delegated on the Russian side, and those actually involved in the projects have had insufficient information about the goals of the projects.

Sida is recommended to recommend a clear delegation of the operational project management on both sides in future projects. The Swedish counterpart should have strong support from the funding agency to affect the Russian party in the direction of delegating clear operational project responsibility to persons directly involved in projects.

R 6 Confidence building and balance

Confidence in and deep understanding of each other are vital ingredients in successful project implementation. This means that time must be allocated on activities outside strict working issues, and it is essential that persons directly involved in the activities have hands-on experience of the other party's reality.

Sida is recommended to allow for social activities in project budgets and see to that there is a balance between activities undertaken in Sweden and in Russia. Support should be given to the Swedish side to recommend the Russians to send relevant people on study tours to Sweden.

Project Areas

R7 Employment service activities

Sida is recommended to continue support of projects aimed at developing the employment service in the Russian Federation. In particular, projects aiming at diffusing the results of the development in the city of St. Petersburg is of interest. Relevant project issues are e.g.; internal organisation of the employment service and offices; placement services for different groups; work with the employers; other active measures; external and internal information; evaluation of placement services and other aspects of office performance, as well as effects of labour market policy in general.

R8 Labour market training

Sida is recommended to continue support for projects aimed at developing the labour market training in the Russian Federation. In particular, projects concerned with modular training, distance learning, and the organisation of training would be relevant.

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Sida
Appendix
Evaluation Report

AMS and Amu Projects in the Russian Federation 1994-1996

- A1 Terms of Reference**
- A2 Program of the Team in Moscow**
- A3 Program of the Team in St. Petersburg**

January 1997

Consultancy Assignment: Review of Labour Market Projects in Russia.

Terms of Reference

1. Background

In spring 1992 The Government of Sweden decided to allocate SEK 5 million to development projects in Russia within the labour market field: one project focusing on labour placement activities, the other on labour market training. These project were evaluated in early 1994. The evaluation was, generally speaking, positive and BITS and, later, Sida have continued financing the cooperation by approving additional projects within the same fields through six different decisions:

- Organisational development of the Federal Employment Service (FES) both federally in Moscow and regionally in St Petersburg (2 decisions)
- Labour market training in St Petersburg (2 decisions)
- Labour market training in north western Russia (2 decisions)

The total amount approved amounts to approximately SEK 9 million. The main outputs of the projects are the following according to the contracts:

- Evaluation of the labour placement function
- Organisational development of FES
- Special activities directed towards the weaker groups on the labour market (people with medical and other problems)
- Training of 15 managers of labour market training
- Two manuals, on training methodology and advisory services respectively
- Organisational development of labour training institutes (St Petersburg and Murmansk)
- Development of a curriculum for training in restaurant services (St Petersburg)
- Distant learning techniques
- The development of curricula and "learning modules" within various training areas

The Russian counterpart is the Federal Employment Service (FES) and the Swedish counterparts are Arbetsmarknadsstyrelsen (the Swedish Labour Market Board) and - to a much larger extent - AMU International (the Swedish state-owned vocational training institute).

2. The Team

Sida will contract a consultant who, together with the team leader from Sida, shall

carry out a review according to the scope of work below. The team shall review the past cooperation and the possibilities for continued cooperation bearing in mind the proposals from the Russian counterparts.

3. Scope of Work

Part I: Review of the Past Co-operation:

Based on project documentation provided by Sida, and other relevant material obtained in Russia, a field visit to Russia (during around 10 days) including discussions with relevant Russian and Swedish parties and representatives of the concerned institutions, the following shall be carried out:

Describe the institutional structure, including roles and responsibilities, in the field of labour market policy and labour market training in Russia.

Describe what other donors are doing in the field of labour market reform in Russia, including labour market training. (The TACIS programme in Brussels will be visited in connection with the field trip).

Review the Swedish technical assistance projects described above in the following dimensions:

- **Achievement of objectives.** Achievement of the project goals as defined in the contracts, taking into consideration possible changes of circumstances.
- **Relevance.** The relevance of the project approach, goals and services provided under the technical cooperation project in the perspective of the labour market situation and in relation to the needs they intended to serve (e.g. length and contents of the projects in relation to their objectives).
- **Efficiency of the project implementation.** The fulfilment of roles and responsibilities for the parties involved.
- **Reasons for high/low achievement of goals.** Reasons for a high or low achievement regarding, i.a. organizational, administrative, financial, institutional, and other factors.
- **Costs and benefits.** An estimation of the cost-effectiveness of the project activities carried out and of the planned future activities.
- **Side-effects.** Positive and/or negative effects which were not foreseen during the planning of the project.
- **Conditions for sustainable effects of the project.** Aspects which influence the long term impact of the project.



Part II: Review the Possibilities for Continued Co-operation:

Review project proposals and cooperation ideas presented by the counterparts in light of Russian needs and priorities and, thus, with special regard to

- the relevance of proposed long and short term objectives
- organizational strengths and weaknesses of the concerned Russian institutions
- foreseen tangible results (expected outputs) and long term development effects
- the need for coordination with other relevant Russian institutions in the field and other donors
- the relevance and potential impact of the transfer of knowledge from Swedish inputs
- the possibilities for cost-sharing (the covering of local cost) in a possible future project.

Based on the above findings, **the team shall give Sida recommendations** on the potential of supporting future projects and, if relevant, suggest improvements of existing proposals with regard to project objectives, organization, activities and other design aspects mentioned above with the aim to reach the best possible development effect.

4. Reporting

The assignment shall be presented in a draft report in English to Sida within three weeks after the completion of the field visit to Russia. The final report shall be submitted to Sida within one week after Sida has commented upon the draft report.

5. Time Plan

The work in Sweden, project preparation, the mission to Russia, report writing and presentations, is expected to take altogether five man-weeks (25 working days, 200 hours). The mission to Russia shall be carried out in September 1996 during approximately ten days. (The Sida representative shall visit the TACIS programme in Brussels in connection with the field mission). The draft report shall be presented to Sida not later than three weeks after the mission. The final report shall be presented to Sida not later than two weeks after receiving the comments on the draft report from Sida.

6. Contract and Budget

See attached documents

A2

THE PROGRAMME OF THE VISIT OF SWEDISH EXPERTS IN RUSSIA

WEDNESDAY, 11 September

- 10:00-11:00 A meeting with the Head of the Department of Information and Foreign Relations Mr. I.I. Dubov at the Federal Employment Service of the RF
-Comments on the Russian-Swedish cooperation (the view-point of the Russian side);
-evaluation of the results of the Russian-Swedish cooperation by the Russian side;
-cooperation with AMS and AMU within the framework of other projects of technical assistance.
- 11:00-13:00 A meeting with the Head of the Department for Vocational Training of the Unemployed Mr. K.G. Kiazimov and employees of this Department
-Discussion of the cooperation with AMU in the field of vocational training and job orientation. *AMU*
- 13:00-14:00 Break
- 15:00 A meeting with the Deputy Head of the ^{Joint?} Matching Department Ms. N.I. Vlasova.
-Evaluation of the results and prospects for cooperation.

THURSDAY, 12 September

- 10:00-18:00 A meeting with specialists from the Russian Training Centre.
-Discussion of the prospects of development of RUTs;
-evaluation of the results of cooperation with AMU;
-Results of the work done to develop manuals for professional orientation and vocational training; discussion of the dates of publishing. Why are these manuals needed in Russia?
-Development of manuals for distance and module training; prospects.

FRIDAY, 13 September

- 11:00-13:00 A meeting with employees of the Department of Regional Employment Services.
-Introduction of the index system to evaluate the activity of employment services.
- 13:00-14:00 Break
- 14:00-15:00 A meeting with the Acting Head of the Federal Employment Service of Russia Ms. M.B. Moskvina.
-Reorganisation of the Federal Employment Service of Russia;
-Comments on the cooperation between the FES and AMU and AMS.

Discussion of the results of the joint projects.

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Федеральная служба занятости
России

Марин Санкт-Петербурга

**КОМИТЕТ
ПО ЗАНЯТОСТИ НАСЕЛЕНИЯ**

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12.09.96 г. 6.25

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A3

Ms. Susanne Oxenstierna
Moscow office of the Swedish
Ministry of Finance

Fax: 095 956 23 07

Dear Ms. Oxenstierna,

With this telefax we would like to inform you about the programme in
St. Petersburg:

Sunday, September 15:

15.00

Arrival of Mr. Pihlgren to St. Petersburg.

16.00-22.00

Accommodation.

Cultural programme: sightseeing around the city,
folk concert in Beloselsky-Belozersky Palace

Monday, September 16:

8.30-9.00

Arrival of Ms. Oxenstierna to St. Petersburg.

Accommodation.

10.00-11.00

Meeting with Chairman of Employment Committee of
St. Petersburg Mr. Dmitry Cherneiko.

11.00-13.00

Meeting with Deputy Chairman of Employment Committee of St. Petersburg Mr. Alexander Zhomov -
- AMS project head in St. Petersburg.

13.00-14.00

Lunch.

14.00-18.00

Meeting with participants of AMS project seminar.

19.00-22.00

Evening programme (needs to be discussed).

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Tuesday, September 17

9.00-13.00 Vis to Methodical Training centre. Meeting with
Fird Deputy Chairman of Employment Committee of
St. Petersburg Mr. Igor Tsyganov and Peterfond
Chairman Mr. Boris Lisovik. Meeting with participants
of AMU project seminars.

13.30 Departure of Mr. Pihlgren.

14.00-15.00 Lunch.

15.00-18.00 Meeting of Ms. Oxenstierna with Stanko-Electron
Directorate.

Evening programme (needs to be discussed).

Ushakov

Wednesday, September 18

10.00 Visit to Peterfund.

13.00 Departure from St. Petersburg.

With best regards,

International Department Head



Alexander Sukhov

Sida Evaluations - 1997

- 97/1 Swedish Consultancy Trust Funds with the African Development Bank. Karlis Goppers, Sven Öhlund
Department for Infrastructure and Economic Cooperation
- 97/2 Programa de Vivienda Social de FUPROVI, Costa Rica. Lillemor Andersson-Brolin, Bauricio Silva
Department for Infrastructure and Economic Cooperation
- 97/3 Sida's Assistance to the Environment Protection Training and Research Institute, EPTRI, India. Bo Lundberg, Bo Carlsson, K P Nyati
Department for Natural Resources and the Environment
- 97/4 Environment & Land Management Sector Activities, ELMS 1991-1995, Southern African Development Community, SADC. J Erikson, M Douglas, J Chileshe
Department for Natural Resources and the Environment
- 97/5 Labour Construction Unit, LCU - Lesotho, 1977-1996. David Stiedl
Department for Infrastructure and Economic Cooperation
- 97/6 Sida's Support to the Start East Programme. Cecilia Karlstedt, Sven Hilding, Piotr Gryko
Department for Central and Eastern Europe
- 97/7 Sida's Cultural Support to Namibia, 1991-1996. Dorian Haarhoff
Department for Democracy and Social Development
- 97/8 Sida-SAREC's Support to the International Centre for Theoretical Physics. Olle Edqvist, John S Nkoma
Department for Research Cooperation, SAREC
- 97/9 Sida Support to Dissemination Division at Instituto Nacional de Biodiversidad, INBio, Costa Rica. Bjorn Hansson
Department for Natural Resources and the Environment
- 97/10 Swedens Support to Mayibuye Centre, University of Western Cape, South Africa. Inger A Heldal, Jenny Hoffmann
Department for Democracy and Social Development
- 97/11 Sida's Support to the Centre for Science and Environment, SCE, India. Leif E Christoffersen, Nigel Cross, Rajeshwar Dayal
Department for Natural Resources and the Environment
- 97/12 HESAWA, Health through Sanitation and Water. Sida-supported Programme in Tanzania. Jo Smet, Kathleen Shordt, Pauline Ikumi, Patrick Nginya.
Department for Natural Resources and the Environment
- 97/13 The Advancement of Librarianship in the Third World (ALP). A Core Programme of the International Federation of Library Associations and Institutions (IFLA). Leo Kenny
Department for Democracy and Social Development

- 97/14 Natural Science Research in Zimbabwe. An Evaluation of SAREC support for research capacity building. Erik W Thulstrup, Daniel Jagner, Peter N Campbell.
Department for Research Cooperation, SAREC
- 97/15 Sida Support to Dinageca in Mozambique. Sue Nichols, Clarissa Fourie, Margarita Mejias
Department for Natural Resources and the Environment
- 97/16 Swedish Support to the Education Sector in Sri Lanka. Ulf Metzger, Tuija Stenbäck, Kusum Athukorala
Department for Democracy and Social Development
- 97/17 PAHAL Project, Rajasthan, India. Participatory Approach to Human and Land Resource Development. P Bharati, M E S Flint, M K Shah, T F Shaxson
Department for Natural Resources and the Environment

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